

An object lesson in the effects of a depreciated currency was afforded the English people by the condition of affairs in Ireland, which had a currency of her own. The Irish shilling contained thirteen pence, and as the pound, both English and Irish, contained two hundred and forty pence, English money was more valuable than Irish in the proportion of $\frac{100}{13}$ to 6s. 8d. The par of exchange between England and Ireland was therefore called eight and one third. The Bank of Ireland was directed to suspend specie payments at the same time as the Bank of England, and exchange was maintained at a point favorable to Ireland until the autumn after the passage of the restriction act in England. Exchange then began to fall, which made it unfavorable to Ireland, until in January, 1804, it had reached a depression of $\frac{1}{8}$ in the hundred. The bank had been increasing its issues until they were more than four times the amount at the time of the restriction. A committee of Parliament was appointed in 1804 to consider the subject and they found that the exchanges were nominally unfavorable because of the depreciation of the Irish paper. The directors of the Bank of Ireland who appeared before the committee would not admit that this was the case and maintained that the large issues of paper money were to supply the place of gold which had been taken out of the country to pay remittances. One of them advanced the same extraordinary doctrine advanced a few years later in England, that 'the mere buying of gold at an advanced price beyond that of the mint, is the effect, and not the cause of the exchange, and, therefore, no proof of the depreciation of the paper itself.'

The committee refused to be misled by this sort of argument and found that the real exchange, when allowance was made for the depreciation in the paper, was favorable to Ireland. A convincing proof that it was so, if there were no others, was found in the fact that the exchanges between England and Belfast were favorable to Belfast, because payments at Belfast were made in specie, at the very moment that they were unfavorable at Dublin, where paper was the standard. Still further demonstration of the simple mathe-